



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS  
OFFICE OF COASTAL ZONE MANAGEMENT  
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August 29, 2002

George A. McLachlan  
Manager, Environmental  
Duke Energy Gas Transmission  
5 Batchelder Road, Suite 200  
Seabrook, NH 03874

RE: Federal Consistency Certification: Maritimes & Northeast Phase III and  
HubLine; Statewide

Dear Mr. McLachlan:

The Massachusetts Office of Coastal Zone Management (CZM) has completed its review of the proposed Maritimes & Northeast Phase III, a 30-inch high pressure natural gas pipeline of which 3.6 miles is in the Massachusetts coastal zone in the Beverly-Salem area; and HubLine, a 29.4-mile long, 30-inch high pressure natural gas pipeline to be buried in the ocean floor along western Massachusetts Bay from Beverly-Salem to Weymouth, and its associated Deer Island Lateral, a 5.4-mile, 24-inch high pressure natural gas pipeline to be buried in the ocean floor from the HubLine in Broad Sound to Deer Island.

As required by the Federal Energy Regulatory Commission (FERC), the applicant, Duke Energy Gas Transmission, provided a description of the project's consistency with CZM's policies in its Applications for Certificates of Public Convenience and Necessity, filed in October 2000, with the FERC. CZM provided comments on these Applications, the Draft and Final Environmental Impact Statements, as well as the applicant's filings with the Massachusetts Environmental Policy Act Unit (MEPA). Modifications in response to CZM's and other comments are described in the applicant's Federal Consistency Certification filed with CZM on June 11, 2002 and other documents, as described below. CZM has relied on the following information to evaluate the consistency of the proposed projects and has incorporated it into its consistency findings by reference:

Water Quality: the applicant has received a 401 Water Quality Certification dated August 16, 2002, from the Massachusetts Department of Environmental Protection (DEP) insuring that the proposed project meets state water quality standards.

Habitat: the applicant has received Orders of Conditions from all of the affected municipalities, thus ensuring that the proposed project is in compliance with the Massachusetts Wetlands Protection Act. In cooperation with the Massachusetts Division

of Marine Fisheries (DMF), the applicant has developed an extensive plan to avoid, minimize, monitor and mitigate impacts to ocean habitat. The applicant has committed to using a mid-line buoyed anchoring system to anchor construction barges in a Supplemental Filing to the FERC dated August 27, 2001. The mid-line buoy system of anchoring will reduce impacts to benthic habitat by approximately 47% over the anchoring system originally proposed.

Protected Areas: the applicant has received a Waterways (Ch. 91) Written Determination dated August 16, 2002. Upon issuance of the final Ch. 91 License, the applicant is presumed to have satisfied the requirements of the Ocean Sanctuaries Act regarding construction in the South Essex Ocean Sanctuary. The applicant has satisfied the requirements of the Massachusetts Underwater Archeological Board, as indicated in a letter dated July 26, 2002; from Victor Mastone, Massachusetts Board of Underwater Archeology, to Debra Cox, Public Archeology Laboratory.

Coastal Hazards: construction in coastal hazard areas is minimal and temporary.

Port and Harbor Infrastructure: CZM requested sediment suspension modeling based on the location of the proposed pipeline. The applicant provided this information in a FERC Supplemental Filing dated August 27, 2001, and the information is reflected in the 401 Water Quality Certification's provisions for sediment management.

Initially, the applicant proposed placing the pipeline in a 3-foot trench, allowing natural sediment transport to refill the trench. CZM, the Boston Pilots, the Docking Masters, and Massport raised concerns regarding the safety of such a proposal through anchorages and fairways used by commercial, ocean-going ships. In response, the applicant has committed to additional depth of burial with engineered back fill at the following locations: Beverly Harbor, MP 2.50-3.50; Precautionary Area, MP 10.40-18.92; Ancillary Area North of Anchorage Area 5, MP 22.50-23.16; Anchorage Area 5, MP 23.16-24.26; and Broad Sound MP 0.00-MP 4.64. A report dated August, 2002, entitled Plan for Pipeline Burial: HubLine Project, prepared by Project Consulting Services and Robert J. Taylor, PE for the applicant, and a letter from Duke Energy dated August 29, 2002 to Jane W. Mead, describe the applicant's studies to determine an appropriate depth of burial through the above-referenced areas and the construction methods to be used in those areas. These documents include Duke Energy's commitment to bury the pipeline approximately 10 feet below the ocean floor at the locations cited above and to back fill the trench with engineered backfill are incorporated into the applicant's federal consistency certification to CZM.

The applicant has determine the areas where blasting is likely to be needed to achieve the agreed upon depths of burial until the project is under construction. As importation and use of blasting materials is subject to a significant amount of review by the U.S. Coast Guard, it is CZM's understanding that the applicant will begin coordination of blasting activity with the Captain of the Port of Boston as soon as the needs are known.



The applicant has received a determination from the U.S. Army Corps of Engineers Navigation Branch that the project complies with its regulations regarding federal channel crossings.

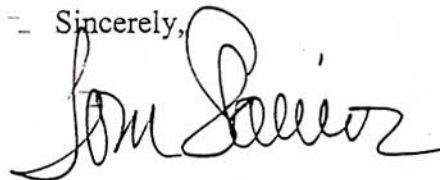
Energy: The applicant has provided a report dated May 2002, entitled Maritimes Phase III and Algonquin HubLine: "Coastal Dependency" - CZM Consistency Review, prepared by Susan F. Tierney, Ph. D. for the applicant. This report satisfies the requirement of CZM's Energy Policy that the proposed project be found to be "coastally dependent" and is incorporated into the applicant's federal consistency certification to CZM.

We concur with your certification and find that the activity as proposed is consistent with the CZM enforceable program policies.

If the above-referenced proposal, which has received this concurrence from CZM, is modified in any manner or is noted to be having effects on the coastal zone or its uses that are substantially different than originally proposed, please submit an explanation of the nature of the change to this Office pursuant to 301 CMR 21.17 and 15 CFR 930.66.

Thank you for your cooperation with CZM.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Skinner", written over a horizontal line.

Tom Skinner  
Director

TWS/JWM

Cc: Captain Brian Salerno, Captain of the Port of Boston  
Marine Safety Office, US Coast Guard  
John Leiss, Project Manager  
FERC Office of Energy Projects, 888 First St., NE, Washington, DC  
20426  
Crystal Gardner, Acting Chief  
Regulatory Branch, US Army Corps of Engineers  
Ted Lento, Project Manager  
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